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LEAGUE OF NATIONS

THE DEVELOPMENT OF INTERNATIONAL CO-OPERATION IN ECONOMIC AND SOCIAL AFFAIRS

REPORT OF THE SPECIAL COMMITTEE

Geneva, August 1939.

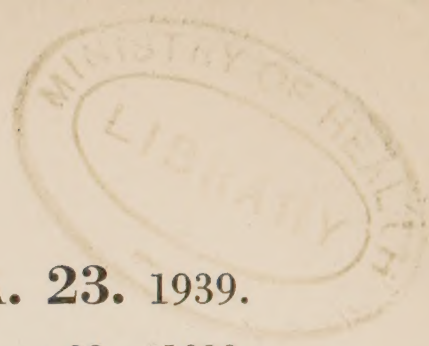


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LEAGUE OF NATIONS

**THE DEVELOPMENT
OF INTERNATIONAL CO-OPERATION
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REPORT OF THE SPECIAL COMMITTEE

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I. INTRODUCTORY

AT the Council's meeting of May 23rd, 1939, the Secretary-General suggested that the Council might set up a Committee to study and report to the forthcoming Assembly on the appropriate measures of organisation which would ensure the development and expansion of the League's machinery for dealing with technical problems, and promote the active participation of all nations in the efforts made to solve those problems.

At a subsequent meeting (May 27th, 1939), the Council approved the suggestion of the Secretary-General and invited Mr. Bruce, Chairman of the Committee for the Co-ordination of Economic and Financial Questions, to nominate the members of the Committee, in consultation with the Secretary-General, and to act as Chairman.

The membership of the Committee was as follows :

The Right Honourable S. M. Bruce, C.H., M.C., High Commissioner for Australia in London, formerly Prime Minister (*Chairman*);

M. Maurice Bourquin, Professor at the University of Geneva;

Mr. Harold Butler, C.B., Warden of Nuffield College, Oxford, formerly Director of the International Labour Office;

M. Carl J. Hambro, President of the Norwegian Storting, President of the Norwegian Foreign Affairs Committee;

M. Charles Rist, President of the Scientific Institute for Economic and Social Research, Paris, former Vice-Governor of the Bank of France;

H.E. M. F. Tudela, Ambassador, formerly Minister for Foreign Affairs of Peru;

M. K. Varvaressos, Deputy Governor of the Bank of Greece, Professor of Political Economy at the University of Athens.

M. Varvaressos accepted to serve on the Committee, but was unfortunately prevented from attending its meetings owing to the death of the Governor of the Bank of Greece.

The Committee met in Paris from August 7th to August 12th, 1939. It has the honour to submit to the Assembly the following report :

At the outset of our work, we were struck by the inadequacy of the phrase "technical problems", by which it has become

customary to describe the questions with which the greater part of the League's total activities are concerned. The distinction generally made in connection with the work of the League between "political" and "technical" problems is equally unfortunate. The term "political problems" normally refers to problems of political relations between States or, in other words, what are in each country known as "foreign affairs"; but so-called "technical problems" are in every country political questions, frequently the cause of internal controversy and often necessitating international negotiation.

We have therefore preferred, in this report, instead of using the phrase "technical problems", to describe the many subjects, which have hitherto been inaccurately grouped under that heading, as "economic and social questions". These terms embrace economic questions — including, *inter alia*, commercial, industrial and agricultural questions — financial and transport, demographic and emigration questions, questions of public health and hygiene, housing and nutrition, as well as the control of the traffic in drugs, prostitution, child welfare and other problems of social dangers and social well-being.

II. THE NEED FOR INTERNATIONAL ECONOMIC AND SOCIAL CO-OPERATION

THE experience of the last twenty years has shown the growing extent to which the progress of civilisation is dependent upon economic and human values. State policies are determined in increasing measure by such social and economic aims as the prevention of unemployment, the prevention of wide fluctuations in economic activity, the provision of better housing, the suppression and cure of disease. These matters, which affect the daily lives of every man, woman and child, are among the principal preoccupations of statesmen and politicians in all countries, whatever their political structure.

Modern experience has also shown with increasing clearness that none of these problems can be entirely solved by purely national action. The need for the interchange of experience and the co-ordination of action between national authorities has been proved useful and necessary time after time in every section of the economic and social fields. To meet this need, the League

has built up a mechanism of international co-operation, which is rendering invaluable service to the world as a whole.

The League is not and never has been an institution concerned solely with the prevention of war. Its economic and humanitarian work, which is now an essential element in the promotion of peaceful civilisation, has always constituted a large part of its activities, as is witnessed by the fact that more than 60 % of the budget is now devoted to it. From that work every nation has benefited, whether a Member of the League or not, and to that work, officially or unofficially, non-member States or their nationals have largely contributed.

There has never been a time when international action for the promotion of economic and social welfare was more vitally necessary than it is at the present moment. The work of the League in these fields has developed and changed its nature in recent years, and the changes that have taken place necessitate, as we see it, a careful consideration of the means by which the mechanism of international collaboration can be rendered at once more efficient and more easily available to all.

There are two tendencies in the world to-day which render the need for Governmental co-operation in economic and social questions more urgent than heretofore, and at the same time give greater opportunities for the success of such co-operation.

The world, for all its political severance, is growing daily closer knit; its means of communication daily more rapid; its instruments for the spread of knowledge daily more efficient. At the same time, the constituent parts of the world, for all their diversity of political outlook, are growing in many respects more similar; agricultural States are becoming rapidly industrialised, industrial States are stimulating their agriculture. Nothing is more striking in this connection, or more characteristic, than the swift industrial development of the great Asiatic countries.

These changes inevitably give rise to new problems that can only be solved by joint effort. Thus, trade and personal contacts are facilitated, but simultaneously economic depressions become more widespread; and, were there any relaxation of control, human and animal diseases would spread more widely and more rapidly. Neither the economic nor the physical contagion — nor, indeed, the moral — can be checked by national action alone, except by recourse to almost complete isolation.

Indeed, to attempt such isolation is one of the first natural reactions to the more frequent and intenser impact of these world forces. But it reflects rather a blind instinct to ward off these impacts than a desire of the constituent parts of a changing

world to adapt themselves to what in the long run must prove the irresistible dynamism of these changes; and there can be no development without adaptation. As the Secretary-General stated in his address at the opening of the League of Nations Pavilion at the New York World's Fair, "it is not possible to clamp down a world inert and motionless. The abundance of life cannot be compressed within rigid limits. There are too many factors of change: movements of populations; immigration; revolutions in technical processes; constant changes in the balance between the various kinds of agricultural and industrial production, and in the respective rôles of machinery and manual work; in the organisation of labour; in the transformation of raw materials; in financial and commercial relations; in transport, aviation, wireless".

The growth of industry in agricultural States, with the resulting drift of people to towns, and changes in tastes, presents to the Governments of these States innumerable problems of an economic and social order — problems of hygiene and housing, of raw materials and capital supplies, of fiscal and credit policy. This, with the stimulation of agriculture in other States, raises everywhere new problems of marketing and of the adaptation of supply to demand.

But the fact that the form of economic structure in all countries is tending to become more similar means at once that the problems with which all Governments are faced also acquire greater similarity, and that the opportunities of each country to gain from the experience of others are increased. Countries of the world to-day are, on account of the rapidity of the changes to which we have alluded, in greater need than before of the aid which can be afforded by others, and are more capable of rendering that aid. It is only by joint discussion of the nature of the new problems which these changes present, by exchange of experience, and by co-ordination of national policies, that the adaptations essential to progress can be effected.

The growing similarity in the structure of the various countries and in the difficulties for which they must find solutions, is calculated to induce Governments to pool their experiences and thus enable them to help one another. All are concerned with the maintenance and the improvement of the economic welfare of their citizens — with their nutrition, housing and health conditions. And all these questions are subject to scientific treatment. What is required therefore, and what is being accomplished, is a joint and intensive study of those common problems on which the security of all nations and all classes of the population depends.

There are other reasons of a worldwide character which emphasise the necessity for a rapid development and expansion of the League's work in these fields.

It is by international discussion, and by the association in the work of independent experts, that Governments can best safeguard themselves against the danger of being pressed by one sectional interest or another to assist it at the expense of the general well-being

Again, there is a continual growth in the material and intellectual demands which men make on life. Owing to the Press, and still more, the radio and the cinema, men and women all over the world are becoming keenly aware of the wide gap between the actual and the potential conditions of their lives. They know that, by a better use of the scientific and productive resources of the world, those conditions could be improved out of all knowledge; and they are impatient to hear that some real and concerted effort is being made to raise the standard of their lives nearer to what it might become.

Similarly, some countries feel that the standard of their economic well-being is below what it might be and what other countries with similar natural conditions have attained. It is only by international discussion and co-operation that these differences, where they exist, can be overcome, or, where they are rather imagined than real, can be appreciated in their true light; and it is essential to ensure that the machinery of the League is ready to promote such discussion and co-operation wherever the conditions make it possible.

III. THE ECONOMIC AND SOCIAL ACTIVITIES OF THE LEAGUE

IT is a frequent and perhaps a justified reproach that the statesmanship of the world has not been able to deal adequately with the tremendous problems with which it has been confronted owing to the swift development of economic and social events. Nevertheless, the League has taken the initiative in almost all the efforts to do so which have been made; without that initiative and without the immense resources of international co-operation which it has been able to command, the difficulties would undoubtedly have become far graver than they are.

From its inception, the League has regarded as one of its main objectives the promotion of economic and social welfare — and this not only for the sake of such welfare itself, but also on account of the intimate relationship between widespread and progressive prosperity and world peace.

The origin of this part of the League's work is to be found in the Covenant itself. The authors of Article 23 foresaw that the League could play a valuable part in centralising the work which was evidently needed if the international aspects of these questions were to be effectively dealt with. But it may be doubted if they foresaw what in fact occurred. For, whereas it was by somewhat slow degrees that the League machinery began to take hold of those questions to which the main body of the Covenant relates, the organs which were set up to deal with economic and social questions sprang rapidly — one might almost say violently — into action. Nor is this strange, when we remember the state of things that then prevailed in the world, and above all in Europe. Not only had there been a break of over five years in every peaceful form of international co-operation, a fact which alone meant a great accumulation of work that urgently needed doing, but the flames of war still flickered on the outskirts of the European continent, and famine and pestilence threatened to continue not less effectively the work of bayonet and bomb.

So it came about that, within a few months of the entry into force of the Covenant, the Financial Conference of Brussels was called together by the League and laid down the lines on which reconstruction could begin; and a year later the Financial Committee¹ was already at work on the first of those efforts of assistance to a nation in desperate financial straits, which were to be its main activity during the years that followed.

So, again, the first task which the Health Organisation¹ was called upon to face was that of organising measures of defence against the epidemics of typhus and cholera which threatened to spread westwards over Europe as the pestilence had done in the Middle Ages. Not till that danger had been checked by almost superhuman effort was the Organisation able to settle down to its normal existence as one of the regular organs of the League.

So, finally, the Transit Organisation¹ came into being at the

¹ Details concerning the present structure of this and other League organisations dealing with economic and social questions are given in the publications entitled: *Essential Facts about the League of Nations*, *Towards a Better Economic World*, *The Economic Interdependence of States*, *World Health and the League*.

Barcelona Conference of 1921, which not only laid down the lines on which the Organisation was to work for years to come, but itself concluded conventions which reorganised traffic conditions by land and sea.

Such were the efforts of an exhausted world to struggle back to the paths of progress and prosperity. Those efforts were surely made possible only by the belief that, in promoting such work, the League was helping to guard against the danger of war in the future.

The League's work in these fields has continued steadily since those early days and, if the pressure is less, the ground covered has been greatly extended. The scope of its present work is vast and the contribution which it is making, and has already made, towards improving the health and welfare of the ordinary man in every continent of the world is an impressive one.

It is of the utmost importance that this work should be generally known, more particularly because the extension and success of the League's work inevitably depend on the degree of public support which it evokes, and such support cannot be forthcoming without a widespread knowledge of its scope and value. We may appropriately give here a very brief account of certain of its aspects.

In the early days of the League, it was perhaps too often assumed that international co-operation necessarily implied international contractual obligations and that the success of such co-operation could be measured by the new obligations entered into. In certain fields, indeed, notably in the control of the drug traffic, and in numerous problems connected with the régime of international communications and transit — such methods have met with striking success and continue to be appropriate. But it is coming to be realised that many of the really vital problems, by their very nature, do not lend themselves to settlement by formal conferences and treaties — that the primary object of international co-operation should be rather mutual help than reciprocal contract — above all, the exchange of knowledge and of the fruits of experience.

It is to the great problems of internal social and economic policy that the League is devoting its attention to a constantly increasing extent — to such problems as those raised by changes in the rate of growth and in the composition of populations, to public hygiene, nutrition, housing, the mitigation of economic depressions, taxation, the economic repercussions of armaments

production — in a word, to all those forces and factors that affect directly the daily lives of all classes of the peoples of the world. These are problems which are of direct concern not simply to experts in different fields or to Governments, but to the citizens of all States.

What, then, is the contribution that the League can make and is making to the solution of these problems? Necessarily, its methods vary with the question at issue. Thus, to check epidemic diseases it has established a worldwide system of epidemiological intelligence, which covers not less than 148 States and territories, a large proportion of which are not Members of the League. In Asia, where epidemic diseases constitute a major problem, an Eastern Bureau has been set up at Singapore, towards the work of which almost all Eastern countries, whether Members of the League or not, contribute financially and the Rockefeller Foundation has made liberal grants.

In order to cope with the present acute problem of the spread of epidemics in China, the League has sent out three large medical units, which have been organising vaccination and other preventive measures on a vast scale and, in close co-operation with the Chinese Government, have established centres of sanitation in the areas particularly affected. Other Governments also have, in the past, been frequently assisted by the League in dealing with special health problems that have confronted them: problems of disease, such as malaria, syphilis, typhus, or problems of public health and administration.

The work of the Malaria Commission provides an example of another method. Field studies have been carried out over a long period with a view to comparing the relative value of different anti-malaria therapeutics, and a new drug, cheaper than quinine but equally effective, has been devised by the Commission and is now being used in many countries. Similar work has been and is now being done on other diseases, as well as on problems of public health, to certain of which — for instance, nutrition and housing — reference is made elsewhere in the present report. For all these questions, inter-Governmental conferences or groups of experts are called together, with the object of collating and comparing the experience gained in different countries and thus arriving at authoritative conclusions. When necessary, recourse is had to special technical enquiries, such as the investigation which is at present being carried out into the results obtained in the main clinics of the world in the treatment of uterine cancer by radium and X-rays.

The League has, from the outset, devoted special attention to the international standardisation of therapeutic substances. Through its agency, a great number of sera, drugs and other remedies, in use all over the world, have been standardised and the standards are distributed gratuitously to all countries.

In the field of anti-narcotic work, the League's action is mainly directed towards preparing and convening conferences for the conclusion of international conventions and supervising the execution of those conventions. By means of the conventions it has brought into being — more particularly the second Geneva Opium Convention of 1925 and the Convention of 1931 for limiting the Manufacture of Narcotic Drugs — it has built up a worldwide system of supervision and control which, in practice, amounts to an international administration. This supervision and control extends from the moment the raw materials leave a producing country to the moment when, transformed into narcotic drugs, they reach the ultimate consumer in the form of medicaments. Arrangements are at present being made for holding an international conference with a view to limiting and controlling poppy cultivation and the production of raw opium.

Like contagious diseases, economic depressions spread from one section of the population to another, from one territory to another. They affect all, from the poorest peasant or industrial worker to the richest financier. They present not simply a risk to the individual, but a threat to national and international order; they remain uncontrolled and almost unchecked. There has been much discussion concerning their origin and the means of mitigating them, much divergence of view. The League is sifting those views with the object of determining the extent to which Government action, and the abstention from certain acts, may help to mitigate or prevent such depressions in the future. Its function here is similar to that of a Government commission set up to advise upon any question, and in this question it is only by international collaboration that fruitful results can be obtained; for a policy apparently well designed for national purposes may lead to an accentuation of the depression elsewhere and its prolongation throughout the world, including the country taking such action. What is required is a co-ordination of national policies. Such co-ordination can often be achieved without any formal treaty or agreement.

In some cases, treaty obligations are necessary, and these may be entered upon either by plurilateral or bilateral conventions. In the early days of the League, preference was given to the former, and the conventions concluded by the League

constitute a volume of international legislation covering a very wide field — the freedom of transit, navigable waterways, international railways, maritime ports, taxation of motor vehicles, unification of road signals, bills of exchange, Customs formalities, counterfeiting currency, the protection of women and children, traffic in dangerous drugs, etc.

In recent years, however, the practice has developed of drafting model conventions which can be more fully adapted to local conditions, and utilised in a series of similar but not identical bilateral treaties freely entered into by States. Of such model conventions, those relating to double taxation have had the widest application; but the same principle is to-day being applied in, for instance, certain transit and trade questions.

Much of the League's work, however, is directed neither to indicating the manner in which national policies may best be co-ordinated nor to preparing the way for formal international agreements, but simply to promoting the spread of knowledge and enabling each country to learn from the experience of others. Its work on nutrition, on which striking results have been achieved, affords an outstanding example at once of the need for and of the value of this form of mutual aid.

The League has formulated guiding principles on which international standards should be based; it has helped to organise national enquiries into the state of nutrition in different parts of the world; it has stimulated the formation of national nutrition committees; it has arranged for regular meetings between persons working on nutritional problems in different countries in order to allow them an opportunity to exchange their experience, explain to one another the causes of their successes and their failures, discuss their difficulties and preoccupations. Above all, it has awakened an ever-growing interest in this question. Its success is shown by the fact that, when its work on this subject began, national committees concerning themselves with the question existed only in two or three countries, while now there are between twenty and thirty such bodies. Meetings on a continental basis are now being arranged in South America and in Africa under the auspices of the League.

This same system of the pooling of ideas and experience is proving of equal value in helping Governments to settle problems of taxation. Thus, as countries hitherto largely agricultural become industrialised, and in consequence desire to change from a fiscal system based mainly on indirect taxes to one in which direct taxes play a more important part, they are naturally anxious to benefit from the experience of older industrial States. The League,

through its committees and by means of its studies of fiscal systems and taxation principles, collates and spreads the knowledge gained through past experience.

Similar work is now being undertaken in the fields of housing, of child welfare, social hygiene, public health training, and the standard of living in general.

We have laid special emphasis on these questions so directly affecting social well-being because we are anxious to make clear how great are the interest and importance of this work not only to those responsible for formulating and administering national policy but also to the great public of all countries. As a clearing-house of ideas and an instrument for the spread of knowledge, the League is of equal importance, however, in connection with more strictly technical questions. In these questions also it performs the double function, first, of affording a place of meeting at which, by personal contacts, by the exposition of the motives underlying policy and by work in common, a fuller understanding by each nation of the outlook of others may be reached and, secondly, of furnishing to all, after a careful scrutiny of the evidence drawn from every part of the world, reasoned recommendations on one public issue or another.

It is not necessary for us to attempt to enumerate all the questions on which reports containing the considered opinions of the best experts available have been prepared. How wide the range of subjects is may be illustrated by mentioning only a few of those issued in quite recent years. They include, for instance, in addition to the subjects we have already mentioned : raw materials, clearings and exchange control, international loan contracts, agricultural credits, medium-term industrial credits ; level-crossings, tonnage measurement, certain aspects of international air navigation ; possibility of replacing poppy by other crops ; methods of diagnosis and treatment of certain diseases ; traffic in women and children in the Far East ; — and periodic reports on commercial policy which at once sketch the broad lines of development and recommend modification of policy for the common good.

It is now being more fully understood how intimately these various problems are interconnected one with another. Social welfare, the care of the child, the protection of the family, link up directly with the problems of better housing and of better feeding. These in turn are in many ways dependent on economic conditions, on transport facilities and on methods of taxation. They are questions which ought to be studied and dealt with by all administrations in the light of a scientific understanding of

such problems. Behind, and in a sense governing, all these great questions, is the yet greater question of population — the problems presented on the one hand by rapidly growing populations in some parts of the world, and on the other, by the diminishing birth rate in many countries and the changing age of their populations.

The growing interdependence of economic and social questions has had its reflection in the increasing measure of co-ordination between the League's committees and the recent concentration and re-grouping within the Secretariat which is in the course of being effected.

The well-informed and critical study of all the special problems that we have mentioned is rendered possible by the existence of a trained staff constantly engaged at Geneva in tracing the tendencies and gauging the forces which determine the changes in our economic environment.¹ To this work of analysis, synthesis and exposition, almost all Governments of Member and non-member States have given willing aid ever since it was initiated in 1920.

Brief as is the above summary, it serves to show beyond any doubt how the value of the already extensive and important services rendered to the world by the League in these fields might be enhanced if fresh stimulus could be given to the work.

The League's resources enable it in the most economical possible way :

- (a) To collect and sift evidence drawn from all over the world;
- (b) To obtain the services of the best experts in the world working without reward for the good of the cause;
- (c) To arrange meetings between experts working in the same fields, enabling them to discuss their preoccupations, their successes, their failures;
- (d) To provide the essential links between the experts and those responsible for policy;
- (e) To provide constant and automatic opportunities for statesmen to meet and discuss their policy;
- (f) To provide thereby means for better understanding of the aims and policies of different nations;
- (g) To provide machinery for the conclusion of international conventions.

¹ The regular publications of the Secretariat in this and other fields of economic and social activity have achieved a worldwide reputation. A list of the more important of these is annexed to the report.

Finally, and perhaps most important of all, Governments which desire expert advice or help can get this, not from outside or as a favour, but from an institution which they themselves maintain and on whose services they have a right to call.

The United States Secretary of State, in a recent letter to the Secretary-General, has paid a striking tribute to that part of the League's work which we have been considering: "The League of Nations", he wrote, "has been responsible for the development of mutual exchange and discussion of ideas and methods to a greater extent and in more fields of humanitarian and scientific endeavour than any other organisation in history."

That such an achievement has been possible is, we feel, due in great part to the fact that the League represents the aspirations of mankind towards a higher degree of co-operation and organisation in the service of world peace.

IV. THE NEED FOR DEVELOPMENT AND EXPANSION

THE sketch we have just given of the nature of work now being undertaken could not be more than illustrative, but it is, we hope, adequate to suggest at once the need for further development and certain of the lines along which that development might with advantage be directed.

The first requirement is clearly that as many States as possible should participate in this work. The second is that the work should be brought under the direction of an organ representative both of the authorities responsible in each country for the formulation of policy in these matters and of special experience in the problems which are now being studied.

It is necessary, therefore, to give to States not members of the League an opportunity to co-operate to the fullest possible extent in the work undertaken, in the body that directs and supervises it and in the use of the platform which the League could supply for its public discussion. It is necessary, in view of the growing [intertwining of the different branches of the work, to give it a central direction by persons of Government rank directly concerned at home with the subjects of international discussion.

If this is done, it will be possible to give a new incentive to the work itself and to afford a platform for the discussion of these

problems in such a way as to increase public knowledge and stimulate public interest in regard to them.

There is, indeed, a real need for greater publicity and for the provision of a platform on which fruitful discussion can take place. And for this we should make greater use of what is, in the final analysis, the only really potent instrument of progress — an enlightened public opinion. Such opinion is not only a stimulus, but in the long run is indispensable to the statesmen who are in control of the policy of each country.

In the proposals which follow we have been guided by the broad considerations indicated above.

We have satisfied ourselves that the work we have reviewed is not performed elsewhere and that its expansion would not involve overlapping with other international activities. If that expansion can be achieved, and if it is possible to bring about a great increase of public knowledge, understanding and appreciation in regard to it, we feel that an important step will have been taken towards making more efficient, in the widest possible sense, international co-operation in the economic and social fields. Such a purpose may be considered as an end in itself, requiring no justification by reference to its indirect results. Nevertheless, few will disagree with the view that “each sound step forward in these fields is a step towards the establishment of that national and international order which is essential to real peace”.¹ Nor can it be doubted that, both directly and indirectly, success in this aim would strengthen the position of the League and make its principles better understood by the great body of public opinion upon which its success ultimately depends.

V. THE COMMITTEE'S PROPOSALS

WE have thus reached the conclusion that the time has come when the Assembly should undertake a revision of the existing organisation of its economic and social work, in order to cope more effectively with the great developments which have taken place since 1920. For, though many improvements and reforms have been made since then, it is a fact that the essential character of the organisation remains to-day as then created.

¹ Letter from the United States Secretary of State to the Secretary-General, February 2nd, 1939.

In May 1938, the need for such a revision was foreshadowed by the Committee on the Structure and Functions of the Economic and Financial Organisation, which observed :

“Major structural changes with a view to widening the basis of international co-operation in the economic field might no doubt be suggested. Should the situation develop in such a way as to enable suggestions of this kind to be made, the Committee considered that the opportunity should not be allowed to pass.”

No doubt the Council had the same notion in mind when it adopted its decision of May 27th, 1939.

In making the proposal which follows, our first aim has been to increase the efficiency of the work as a whole, and in particular :

(a) To bring all this part of the work of the League under the supervision of an agency which should be both effective and representative;

(b) To meet the fact that the development in the nature of the work results in a growing inter-connection between the activities of the different organisations, and that therefore a co-ordinating direction is more and more required;

(c) To add fresh efficiency and vigour to the work itself, a result which may naturally be expected to follow if public knowledge in regard to it can be increased and if it becomes the primary interest of the directing organs; for under present conditions, at meetings whether of the Council or of the Assembly, the primary interest both of the delegates and of public opinion is concerned with such questions of international policy as appear on their agenda;

(d) To give States not members of the League the opportunity of the fullest possible co-operation in the work itself as well as in its direction and supervision.

We suggest, therefore, that the Assembly should set up a new organism, to be known as the Central Committee for Economic and Social Questions, to which should be entrusted the direction and supervision of the work of the League Committees dealing with economic and social questions. The proposed nature and functions of this organism are indicated in a formal text at the conclusion of the present report. Amongst the proposals made is the suggestion that the Secretary-General should make every year to the Assembly a separate report on the work done in the economic and social fields. This procedure should enable the discussion on this side of the League's work to be organised

at the Assembly, without being overshadowed by the debates on foreign politics.

The Central Committee should appoint the members of the various standing technical committees — in so far as existing international conventions permit it to do so — and be entitled to appoint new committees, within the limits set by budgetary provisions, and to modify the existing structure of the economic and social organisations, should it find such a course desirable. But this fact should not be considered as depriving the Council or the Assembly of their normal channels of obtaining technical advice.

We have been impressed by the advantages of including non-official members in the body supervising the economic and social work of the League, and suggest that it should be authorised to secure the collaboration of persons experienced in economic and social affairs.

We further suggest that the whole budget relating to the economic and social work, covering indirect as well as direct charges, should be examined and approved by this widely representative body before being submitted to the Supervisory Commission and the Assembly.

It will be seen that the change which we propose is far-reaching, but it does not involve any fundamental constitutional question. We have suggested that the Central Committee should be entrusted with the direction and supervision of the work of the committees dealing with economic and social questions. This proposal cannot affect the powers and duties appertaining to the Council as a result of international treaties and conventions. Nor can any proposal we might make affect the rights and powers of Member States represented on the Assembly or the Council having their origin in the Covenant of the League.

We propose that the Central Committee should comprise in the first year the representatives of twenty-four States chosen by the Assembly, and not more than eight unofficial members co-opted on the ground of their special competence and authority. Further, we suggest that it should be authorised to take any steps it considers appropriate to facilitate the participation of other States desiring to share in this economic and social work.

Where reference is made in the text which follows to participating States which are not members of the League, it is to be understood that such States should participate in the economic and social work on the same footing as States Members of the League. Any such States should contribute to the cost of the economic and social work in the proportion in which they would

contribute to such expenses if they were Members of the League. Their contribution would be applied exclusively to the expenses connected with that work.

While we hope that our general scheme will provide a permanent basis for the development of the economic and social work of the League, the Central Committee itself will no doubt judge in the light of experience whether any changes in detail are required. Thus, although we submit the proposed numbers of official and unofficial members only after most careful consideration, we feel that experience alone can determine the most appropriate proportions between these two elements. Moreover, our proposals, taken as a whole, must not be considered as more than a first step in the adaptation of the existing machinery to the changing conditions in the world.

With these brief explanations, we submit to the Assembly the following draft constitution for the new organism.

Draft Constitution for the Central Committee for Economic and Social Questions

1. A Central Committee shall be set up, to which shall be entrusted the direction and supervision of the work of the committees dealing with economic and social questions.

2. In the first instance, the Central Committee shall comprise representatives of twenty-four States chosen, for a period of one year, by the Assembly on the proposal of its Bureau. Thereafter, the Committee shall comprise such number for such period as may be determined in the light of experience.

3. Any Member of the League not represented on the Central Committee which considers itself specially interested in a particular matter shall be invited to send a representative to sit as a member at any meeting of the Committee during the consideration of such matter.

4. The Central Committee shall be authorised to co-opt not more than eight members appointed in a personal capacity on the grounds of their special competence and authority whose collaboration it considers would prove of special value.

5. The Central Committee shall be requested to study the conditions under which all States desiring to do so may participate in the work relating to economic and social questions, and

shall be authorised to take such steps as appear to it appropriate in order to facilitate their participation. Any State so participating shall enjoy the rights conferred on Members of the League under paragraph 3.

6. The Secretary-General shall submit to the Central Committee the annual draft budget relating to economic and social work, which, after examination by the Central Committee, will be dealt with in accordance with the Financial Regulations of the League. This budget shall provide for all the expenditure, direct and indirect, incurred for the purpose of carrying out such work.

7. The Central Committee shall meet at least once a year. An annual report shall be submitted by the Secretary-General to the Assembly on its work and on the programme of future work for which budgetary credits are requested.

8. The Central Committee shall be authorised to draw up its own Rules of Procedure, to approve its agenda, elect its own President and its Bureau, appoint the members of the main standing committees, in so far as existing international conventions permit it to do so, and set up other committees when necessary. Its agenda shall include any questions which a State participating in its work refers to it for consideration. All matters shall be decided by a majority of the members present. The Central Committee shall be empowered to entrust its Bureau with the discharge, in the intervals between its own meetings, of any duties which it may determine.

A N N E X

CHIEF PERIODICAL PUBLICATIONS OF THE SECRETARIAT ON ECONOMIC AND SOCIAL QUESTIONS

Monthly Bulletin of Statistics.

*Statistical Year-Book.**

*International Trade Statistics.**

*International Trade in Certain Raw Materials and Foodstuffs.**

*World Production and Prices.**

*Review of World Trade.**

*Balances of Payments.**

*Money and Banking.**

*World Economic Survey.**

*Survey of National Nutrition Policies.**

Bulletin of the Health Organisation (quarterly).

*Annual Epidemiological Report.**

Epidemiological Report (monthly).

Weekly Epidemiological Record.

Weekly Fasciculus (Epidemiological Intelligence received by the Eastern Bureau).

* Annual publication.

